



January 2008

Dear Housing Authority Executive Director;

We are pleased to announce the availability of planning grants for local housing authorities interested in participating in an exciting new mixed-finance program to leverage private funds into state funded public housing modernization, expansion, redevelopment or new production. This joint program, sponsored by the Department of Housing and Community Development (DHCD) and the Massachusetts Housing Partnership (MHP) will fund consultant teams to work with your authority to determine if mixed-finance, including tax-exempt debt and tax credits, could significantly benefit your project idea. The enclosed Program Guidelines provide a detailed explanation of eligibility guidelines and an application for funding.

With the expected passage of a Housing Bond bill this spring, for the first time in many years DHCD will have significantly expanded resources for capital projects at state funded public housing. These resources, which can be combined with a first-ever set aside of federal tax credit funds made possible by the Patrick Administration, will dramatically expand opportunities for modernization, expansion and redevelopment of state public housing and new production projects.

These planning grants will provide an avenue for housing authorities to perform initial feasibility analyses for both modernization and new production projects that could benefit from this mixed finance program. Since these grants are for early feasibility analyses, we have made the application process as simple as possible, and we will accept applications on a rolling basis. Pursuant to the program guidelines, a pool of qualified development and planning consultants has been identified and will be assigned, upon grant award, in consultation with LHA's based on the match between the consultant's particular areas of expertise and the specific project needs. Please do not commit to any consultants.

We look forward to working with you on these creative projects and encourage you to call us to discuss your project ideas or if you have questions regarding any aspect of the application or program. At DHCD please contact either Lizbeth Heyer at 617-573-1177 or [lizbeth.heyer@ocd.state.ma.us](mailto:lizbeth.heyer@ocd.state.ma.us) or Leslie Bos at (617) 573-1160 or [leslie.bos@ocd.state.ma.us](mailto:leslie.bos@ocd.state.ma.us). At MHP, please contact Rita Farrell at (413) 253-7379 or [rfarrell@mhp.net](mailto:rfarrell@mhp.net). We look forward to hearing from you.

Sincerely,



Tina Brooks  
Undersecretary  
Department of Housing and  
Development



Clark Ziegler  
Executive Director  
Massachusetts Housing  
Partnership



# Planning Grant Program for Local Housing Authorities



January 2008

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## Program Overview

The Department of Housing and Community Development (DHCD) and the Massachusetts Housing Partnership (MHP) are making available planning grants for local housing authorities (LHA). These planning grants will be used to support early stage feasibility activities for housing authorities contemplating the creation of new units on housing authority owned land or the redevelopment of an existing state funded public housing development. MHP will be administering these grants and will be working closely with DHCD to coordinate the identification of eligible projects and the award of the planning grants.

MHP will provide a limited number of grants to housing authorities seeking assistance for development projects using DHCD's mixed finance regulations 760 CMR 4.12 - 4.16. These regulations, promulgated in 2005, provide opportunities for LHA's to use a variety of tools to redevelop obsolete and troubled existing public housing and develop new housing on HA controlled land. MHP intends to award planning grants on a schedule that is in alignment with the public and private financing that will be needed to make these projects viable.

The early feasibility funding will be phased to assist housing authorities to flesh out options, and to understand critical environmental or planning elements of their site or project that will impact their ability to move forward. Projects making reasonable and expected progress will receive the full grant award. At such time as the proposed project is deemed infeasible any remaining grant funds will not be released.

MHP has pre-qualified a pool of development consultants who will be responsible for identifying and overseeing the technical team working on a specific housing authority project. The consultants will be under contract to MHP but the executive director of the housing authority or his/her designee will be the primary contact person for the consultant.

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## Program Goals & Priorities

The intent of the planning grant program is to provide early feasibility funding to help LHA's explore their development options and to examine the critical environmental and planning elements of their site or project. Specifically MHP and DHCD are looking to provide funding to:

- Facilitate the creation of new affordable rental units on housing authority controlled land in communities where there is a significant need for additional affordable housing
- Explore potential redevelopment of existing state funded public housing developments with significant physical improvement needs including (a) comprehensive modernization and (b) redevelopment of existing state funded public housing with the addition of new units

All projects must be aligned with the program priorities of DHCD. New production projects must be competitive in the context of state affordable housing program requirements and priorities. Redevelopment projects must also be aligned with DHCD's priorities for redevelopment and preservation of the portfolio projects and the Commonwealth's sustainable development principles. This can be demonstrated by the existing award of a substantial CAR or by endorsement by DHCD's public housing staff.

Priorities:

- The primary focus is on rehabilitation of family and elderly housing and new production of family housing. Priority for funding will be given to housing authorities seeking assistance for those projects.
- Projects that can leverage strong markets and inherent value in the housing authority parcel that can be contributed back into the development.
- Redevelopment projects with the potential for using a mixed finance model and for creating additional units.
- Projects that leverage local support in the form of CPA or other funding.
- Projects that incorporate sustainable design elements with the potential to leverage sustainable development funding and or/ substantial energy operating cost savings.

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## Eligible Activities

MHP will pre-qualify a group of development consultants and planning grant awardees will be consulted about the assignment of the development consultant to their project. MHP will contract directly with a lead consultant on behalf of a housing authority for project due diligence; the balance of the technical consulting team will be selected by the lead consultant and will be under contract to MHP.

Eligible activities include but are not limited to the following:

- Preliminary site analysis including surveys, wetlands delineations, soils analysis
- Development of project concept
- Initial financial feasibility analysis
- Preliminary market analysis
- Conceptual site design
- Preliminary architectural design
- Initial feasibility analysis of sustainable project elements
- Construction cost estimates
- RFP for disposition of land

Once projects have been determined to be feasible and the project scope has been clearly defined, MHP and DHCD will work with the LHA to identify sources of pre-development financing to advance the project along the development path.

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## Grant Limits

Early feasibility funding needs will vary by the size and complexity of the proposed project and awards will be made accordingly. These will be recoverable grants and the maximum grant amount will be \$50,000 and will cover all costs including the lead development consultant as well as any additional technical consultants. It is expected that many of the awards will be for significantly less than the maximum grant amount.

Repayment of the grant is expected if and when the project is successful in securing financing.

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## Eligibility Requirements

The eligibility requirements for the Planning Grant Program for Housing Authorities are as follows:

- Applicants must be public housing authorities duly organized under MGL c. 121B. They must be in good standing with DHCD.
- Evidence of organizational capacity and support including application sign off by LHA board of commissioners.
- LHA must have either an existing troubled/obsolete state public housing development that has been prioritized by DHCD for redevelopment or comprehensive modernization or a parcel of land for which the LHA has clear title and is located in a community with an identified rental housing need.



Please call MHP or DHCD to discuss your project before submitting the application to review the eligibility and competitiveness of your application. Failure to do so will delay review of your application.

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## Application Process & Grant Awards

Applications will be accepted on a rolling basis beginning in February, 2008. All applicants must complete MHP's "Application for Housing Authority Planning Grants" with all required attachments and submit electronically and in hard copy as noted on the application. A copy of the application is attached and can also be viewed and downloaded at [www.mhp.net](http://www.mhp.net).

Applicants will be required to participate in a site visit with members of the grant review committee as part of the review process.

Applications will be reviewed by MHP staff in consultation with DHCD and notifications of grant awards will be made within 60 days of the receipt of a complete application. MHP will assign a lead development consultant to the project once an award has been made. The lead consultant will assemble a team of consultants subject to MHP's approval. It is expected that work will commence within 30 - 45 days of the project award.

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## Further Information

Applicants needing additional information or assistance should contact:

Rita Farrell  
MHP

[rfarrell@mhp.net](mailto:rfarrell@mhp.net)

413-253-7379

Leslie Bos  
DHCD

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617-573-1160